Turning Social Capital
Into Financial Capital
Marcia Conner

Enterprise 2.0

Wyatt Erp Electronics won awards for their innovative hiring practices. Sales numbers grew year after year. The company would soon need a larger facility and to accelerate staffing. In an economically challenging time, by all public measures, they were winning the fight.

Yet inside their offices a shootout was taking place. One flaring up in almost 40% of businesses today.[1] Senior leaders hire the brightest, most seasoned people they can find, and then treat them like idiots from day one.

New employees start the first Monday of each month. They receive a hearty welcome from HR, watch a video from the company CEO, and then receive a notebook containing organizational procedures and guidelines. While going through basic benefits enrollment and learning about the international-style cafeteria, someone inevitably stumbles upon the communications policy. It states that Wyatt Erp Electronics (WEE) blocks access to all social media sites from within the company network. Attempting to work around the security safeguards can get you booted. Mentioning the company over personal accounts is strictly forbidden. The new employees rarely ask about the policy. They fear that questions would make them look bad on this pivotal day. Many are surprised by the policy, though; kicking themselves for not asking about social media access early in the process, second-guessing their decision to make this move.

[1] A study by nCircle, published June 2010, showed 39% of US companies ban social media access at work. As recently as October 2009, Robert Half Technology published a study that 54% of U.S. companies banned workers from using social networking sites like Twitter, Facebook, LinkedIn and MySpace while on the job. Earlier in 2009 reports estimate the number is closer to 70%.

Social media has the potential to dramatically improve the inner workings of every company. The interstitial connections can quickly cross business silos, inform decision making, educate people at all levels, and allow employees—especially new entrants—to pick up the natural rhythms of how people around them work. But only if the company allows access to social networks. And too many companies don't.

Even the growing marketplace of enterprise-strength social media tools—often called "Enterprise 2.0" in homage to "Web 2.0," another name for social media's consumer-facing cousins—have been adopted by only a small fraction of companies today.

CIOs and division heads setting prohibitive policies seem oblivious (or in denial) that their people already have access to social tools from the smart phones in their pockets and purses. They use these tools to access personal and professional networks as part of their daily lives. They use these systems because they're mobile, easy, and fast. They engage with people who can answer questions, check in to make sure they know what's going on, and they integrate modern life's priorities in a convenient way.

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The Fear Factor

Do you fear the Facebook? If so, ask yourself, "When's the last time I hired an idiot?" We've all done it once or twice, but none of us tries to do it often. Why then do so many companies make the decision for their bright capable employees that they can't use their time wisely and that they can't benefit from the social revolution sweeping across the plains?

Few people adopt practices they don't understand or value. Leaders make these decisions out of fear, confusion, or outdated conservativeness. During tough economic times, some leaders become extra critical of every activity, even those generating the energy required for success. In large part, innovation and learning comes from the little moments between the activities previously thought of as "real" work.

These tools give us a peek into the future of collaboration and learning at work. The more you prepare people for how to use the tools respectfully and how to apply good social practices, the better. Besides, people determined to harm you already have and always will find a way.

1. Facebook Is Not Your Enemy

The most common misunderstanding about social media is that it's a time-suck, a productivity drainpipe. What methods do people around your organization use to communicate, collaborate, and learn today? Even detractors know that memos, classes, and KM systems don't oil the wheels like direct connections. Real relationships and education are fundamentally social.

Sure, time spent in online social networks needs to be managed. The same could be said about time on the telephone, using email, or in meetings. The actual challenge is addressing some people's compulsion to constantly look busy rather than get their work done.

My research shows that the earliest adopters of social tools at work are technically savvy people who were already making time for personal conversations. They were on their phones, on email discussion lists, in online forums, or talking it up with the people close by.

Social media doesn't trigger this behavior. People seeking the next great "aha!" aren't wallflowers keeping to themselves. They are social enough already to know they do their best when personally engaged.

If an employee is addicted to being online, he or she is likely to be a poor performer because of that addiction. In general though, even a little leisure browsing has been shown to help sharpen workers' concentration because downtime gives them a chance to relax, reflect, and broaden their thoughts.

Do people fulfill their work objectives? Are they getting their jobs done? If so, why should anyone care if they spend time in a social network? By being there, they create relationships and create their own place in the company. By getting to know other people in the company, they get to know the company better.

Many employees have already integrated technology into their lives. Connecting serves them and their employers well. While colleagues sit in meetings or on long calls, they sum things up in Twitter-like bursts. Through online networks, they discover people who can become true friends and valued colleagues—people they wouldn't have found in the pre-social media era.

Even organizations including the CIA, Wells Fargo, and the Mayo Clinic use social media widely although their data is very sensitive. Rather than pronounce this new approach unfit for their environments, they practice good governance. They remind people to participate in social networks with a full understanding that they bear responsibility for protecting sensitive or classified details.

Josh Bancroft, technology evangelist and blogger at Intel, told me about a coworker who needed to use a piece of software no one in her group had even heard of. It would have taken months to learn the software and use. Instead, she searched the organization's internal social network where she found someone who had done a project using the software. Within a matter of weeks the project was done. How many hours was the efficiency gain worth? Add the time saved by one person to the advantages of a quicker time to market for this project.

2. Blocking Social Media Doesn't Stop People From Talking Trash About Your Company

Customer perception and employee perspective have been posted on bulletin boards and user group forums for years. If you don't believe that, Google your company then read 10 pages into the search results to see some places where you're talked about now. The trouble with those venues is that they flow from a narrow slice of your customers. They lack insights from people within your organization who have additional detail.

By engaging with people in those spaces, or creating venues for healthy conversation about what you do right and what you need to improve, you can learn from people's experiences and correct misperceptions. You also give people with different, and possibly more favorable views a chance to weigh in too.

A leader of a hospital group I work with expressed his concern this way, "Our employees may someday graffiti versions of our logo all over town, but we don't want to hand out spray paint." He feared that encouraging social media use would encourage his people to write posts he wouldn't approve of.

But, when an employee puts tasteless content on the office door, you don't remove the door. A cheap joke over the telephone doesn't strip them of phone privileges. Social networks are often held to higher standards than traditional business tools because they are new. Scary stories circulate quickly. Rather than ban social tools, educate people how to use them effectively for work.

If anything, organizations have more stories about how the opposite is happening, or at least how misnomers clean up quickly. When questions and answers take place in public, someone will likely correct misrepresented facts, old data, and rumors or speculation. People, realizing their responses will be widely seen, will work toward accuracy (or at least as they perceive it).

Information about your organization seeps out when people chat in restaurants over lunch or talk on a mobile phone while waiting at the post office. When you provide venues where people can share peer-to-peer and be accountable, the best information rises to the top because people can rate it as useful. Different voices weigh in and correct stuff. It's what James Surowiecki calls "the wisdom of crowds."

People form social networks even when they don't have organizational support. If you create a space for people to work in, learn from, and engage with, you provide them a viable way to work that doesn't involve going around systems.

Executives I speak with tell me their employees became more efficient and easier to monitor (and influence) when there's a private network for sharing ideas, information, and tasks. These spaces bring people together, and they begin to work more as a unit without pushes from management.

3. Social Media Is Wildly Effective For Educating People At Work

Does constant updating sound like a bunch of busybodies with nothing better to do? Paula Thornton, an enterprise 2.0 architect and designer points out, "In the machine world, no one would imagine doing away with the conveyor belt. Updates are the conveyor belts of information in a service organization."

Sabre Holdings, the company that owns Travelocity, created an internal social network—SabreTown—that facilitates learning and communication in ways that address issues holding other companies back.

"The goal was to provide an internal tool for professional networking so that employees could connect quickly and easily," says Erik Johnson, general manager of the software underpinning SabreTown. When the network was created, Sabre Holdings had grown from a small U.S. operation into one with 10,000 employees in 59 countries, many telecommuting and beginning to feel disconnected from colleagues and information.

To use SabreTown, employees complete a profile of their interests and expertise. When someone posts a question, the system's predictive modeling software automatically sends it to the 15 people whose expertise is most relevant to the question. The more people who complete profiles and the more questions asked and answered, the better the inference engine can assign questions.

SabreTown is credited with substantial savings for the company. It identified $500,000 in direct savings the first year. Based on anecdotal results, that figure is only a fraction of the total savings. Johnson attributes the site's success partly to the fact that management ceded control over its use to line employees. He says, "SabreTown is effectively creating a massive knowledge base that employees willingly populate with their own information."

"The more you can know about the people you work with, and what they value and don't value," says Ric Merrifield, author of Rethink, "the easier it is to get targeted and tailored messages to them, providing them something valuable."

"You have a greater chance of getting a useful answer if your question is directed not just to the people you already know, but to the people who have the most relevant knowledge," explains SabreTown's Johnson.

4. People Are Naturally Social And You Can Benefit From That

Humans have always been driven to share with one another. Since our ancestors came into being, this has been part of our survival mechanism and our natural preference.

When people on the farm worked with their neighbors, putting up a barn or exchanging wheat for corn, they shared information about a harvesting technique and a new recipe. They created and sustained social capital. They drew upon reciprocity to solve common problems. Social capital became financial capital as two farmers who exchanged tools could do more while buying less.

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When you engage with people, you build your own insight into what's being discussed. Someone else's understanding complements yours, and together you start to weave an informed interpretation. And our ability to converse and share with one another expands daily. You tinker until you can move on.

We are social creatures. If we play an active role in creating our views of reality, then the groups we participate in also contribute. Our reality is shaped by our social interactions. These exchanges provide context—socially scaffolding what you have already learned with what another person has learned and so on. This generates a virtuous spiral, socially generated and built and more powerful than any one participant could create individually.

In a world of rapid change, we each need to garner as much useful information as possible, sort through it in a way that meets our unique circumstances, calibrate it with what we already know, and re-circulate it with others who share our goals.

5. Learning Faster Is Your Most Competitive Weapon

Workplace learning is a competitive advantage for every company. People need to learn fast, as part of the ebb and flow of their jobs, not just on the rare occasion they are in a class. Senior leaders urgently want to provide their people with something vibrant, effective, and cutting edge to support their nonstop learning—something that will ensure that competitive edge.

Most of what we learn at work and elsewhere comes from engaging in networks where people co-create, collaborate, and share knowledge, fully participating and actively engaging, driving, and guiding their learning through whatever topics will help them improve. Training often gives people solutions to problems already solved. Collaboration addresses challenges no one has overcome before.

Social networks can transform the way we enable learning and collaboration in organizations. They foster a new culture of sharing, one in which content is contributed and distributed with few restrictions or costs.

The social networks make that immediate, enabling people to easily interact with those with whom they share a workplace, a passion, a curiosity, a skill, or a need.

Social networks allows us, as Stowe Boyd who first coined the term social tools and has been working for two decades observing how they affect business, media, and society puts it, "[to grow] bigger than my head. I want to create an idea space where I can think outside my mind, leveraging my connections with others."

Learning socially does not replace training. It may overlap a little and complement a lot, but it can address the knowledge transfer that training may never get to.

The competitive advantage doesn't come from the technologies themselves. It comes from the expertise and perspective your people have today that's often never shared with anyone or put to use in the organization. Social networks can provide venues for people to connect in ways they hadn't before, differentiating an organization by the quality and brainpower of their people who can build new approaches together that they couldn't before.

People at all levels are learning socially today, whether they recognize that or not. Executives learn from their management teams, from fellow executives in other companies, and from being active members of the world around them. While they provide direction to others, if they don't demonstrate to those that work with them and for them that learning and relationship-building are important, they can undermine their guidance and miss a critical opportunity for people to learn from them too.

Start Where You Are.

The move to go social isn't a binary decision. Think of it as a Likert scale, where the truth is somewhere in the messy middle.

With no formal plans to access or create a social network, organizations can ease into it. Twitter-like tools for the enterprise can be implemented for free. Employees may comment on company blogs or blog on their own. Perhaps an employee directory goes online and then someone creates a wiki. In some organizations many adopt it, some even sponsor it, but it's not universally supported.

This is what embracing social networking for learning looks like. This isn't jumping off the high dive. It's a process of adapting and adopting.

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Rather than start with a long, heavy-handed policy condemning the use of social media, put in place simple rules stating when people should use which tool to communicate, create, or share specific types of information. Make it easy for people to classify information they create. Specify which data and content are appropriate for what use—especially its use within the company. Also, the fact that people can see what others share provides a reason to self-monitor and for people to monitor each other.

Find bright spots where people are working together and learning from one another despite their individual paths. Use these as exemplars to find more opportunities to cross-pollinate ideas and build relationships between shifts, in common areas, or across online communities where people can congregate in the little moments between other tasks.

If senior leaders are modeling behavior that doesn't appear to be social, yet they are interested in fostering a more socially oriented culture, ask them to demonstrate some of the relationship work they do behind the scenes. Perhaps they are active in a community organization where they show a different side of their personality. Encourage them to participate in online social networks where they can be their introverted selves but in a more open and engaging way. Find ways to help them show a side that is committed to working in different ways.

In a fear-based culture caused by people in the middle who feel social interaction is contradictory to productivity, work with senior management to reiterate the disconnect with the larger vision of a more social culture. Actively eliminate roadblocks in people's path to work together by publicly changing rules and policies that stymie collaboration. Adopt ways of working that more accurately support people's natural tendencies to learn from one another. You might not, at first, get the buy-in or support of people who have been silenced for a long time but you will get newer hires to work in engaging ways, and that alone has the power to shift culture in less time than forcing people to work in ways they don't believe will be well received.

I've conducted collaborative culture audits with dozens of organizations and almost all of them at first showed an inclination to distrust anyone overly social or relationship oriented. Over time, with specific steps and activities, often with the assistance of easy-to-use and mobile social technologies, they each became more mindful of what social really means (interacting to get work done) and saw it as an opportunity rather than something to avoid.

Bottom Line.

At this moment, your people are already learning and collaborating across social networks. They have already begun to reach out and connect in new and powerful ways. The question is, will you come along? Do you want to play a part in what and how they learn? Or do you want to try to stop them? Will you restrict them or free them to do the work you hired them to do? The work you do with them?

Social networks can transform the way we enable learning and collaboration in organizations. They foster a new culture of sharing, one in which content is contributed and distributed with few restrictions or costs.

Don't think this is one more approach to be managed by IT, HR, or even a social media group. The idea any group or cross-division team can own social networking is like asking one department to be responsible for organizational health. The only people who can own social networking are the people who themselves are learning each day, from one another, based on their work and in the flow of work.

One department can set strategy and review tools, and even document and advertise healthy social practices, but at the point when they give the impression it's their responsibility to manage the networking, the learning, the collaborating that occurs, they step back in time to an age when we thought training (or knowledge management, or human capital development, etc.) was a discreet set of activities and events that could be turned on and off like a light switch.
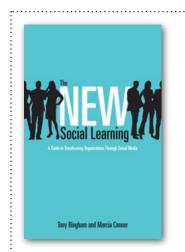
Networking, learning and collaborating are ongoing actions taken by individuals in concert with one another to produce something greater than anyone alone could create. And that is owned by (and directed by) every individual all of the time. Remove the obstacles in people's paths to do what is hardwired into their DNA—to learn together to grow strong—and you'll find it creates healthy organizations in which social networking is the lifeblood.

Social networking is a fundamental shift in how people work—leveraging how we have always worked, but now with new tools to accelerate and broaden individual and organizational reach.

Don't be an idiot. Begin where you are and build where it suits your culture and environment. Just don't quash social media because you don't understand it. Learn from those who do. ▨

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Marcia Conner, Partner with Altimeter Group, works with senior leaders to put collaborative technologies into action. In *The New Social Learning: A Guide to Transforming Organizations Through Social Media*, co-authored with Tony Bingham, Marcia shows how social networks can harness the experiences of colleagues working across the globe as easily as if they were side by side. Former Vice President and Information Futurist at PeopleSoft, and Worldwide Manager at Microsoft, she now advises corporations, writes the popular Fast Company column "Learn at All Levels," and is a Fellow at the Darden School of Business. Follow her on Twitter @marciamarcia.

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